

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1976 – HB 2222

March 2, 2018

SUMMARY OF ORIGINAL BILL: Authorizes an actuary used by a political subdivision that is a member of the American Academy of Actuaries to also be a member of other professional organizations for actuaries including, but not limited to, the American Society of Pension Professionals and Actuaries.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013571): Deletes all language after the enacting clause. Requires the measurement standard used to determine a political subdivision's pension plan's funded status be done in accordance with rules, standards, guidelines, and interpretations established by the Governmental Accounting Standards Board (GASB). Prohibits a political subdivision with an existing pension plan as of May 22, 2014, from establishing a new pension plan until receiving written approval from the Treasurer.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Public Chapter 191 of 2005 enacted the Local Government Modernization Act of 2005 and required local governments to implement the accounting and financial reporting standards required by GASB by June 30, 2008, or be imposed certain penalties.
- Any impact to local government resulting from specifying that the measurement standard used to determine the local government's pension plan's funded status be in compliance with GASB standards is estimated to be not significant.
- Any impact to the Department of Treasury resulting from providing written approval for new pension plans is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj